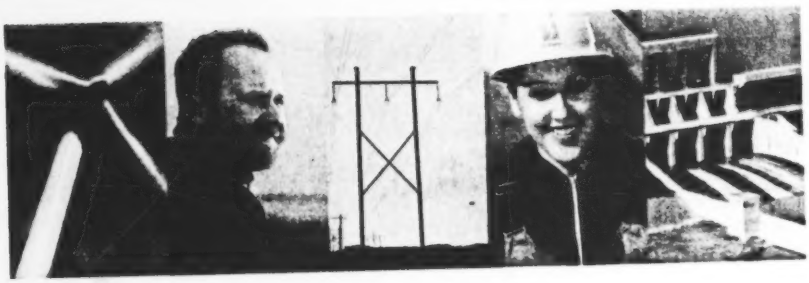
2006

STRATEGIC AND BUSINESS PLAN SUMMARY



SaskPower

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PRESIDENT'S MESSAGE

SaskPower has a long and proud history as a trusted partner for the many people, businesses and industrial customers who rely upon us to provide a full range of services. In 2006 we will continue to take the necessary steps to ensure our corporation maintains its position as a leader among Canadian utilities, while providing our customers with safe, reliable, environmentally responsible and affordable electricity.

The business environment in which we operate is changing, and so too must SaskPower. We have an aging generation fleet, but changing environmental regulations require us to move towards producing power with little or no emissions. Our customers are also increasingly looking for green solutions.

The area that will face the biggest transformation over the next 20 years is our generation fleet. Two-thirds of our generating capacity will have to be replaced during that time, so future supply options – including the memorandum of understanding that was recently signed with the federal and provincial governments to fund feasibility studies for a clean coal plant and a polygeneration facility – will feature prominently in our work in 2006.

In addition to being technologically savvy, our customers are becoming more urban and there has been growth in the Aboriginal market segment. We will have to change the way we do business in the future.

Within the next 15 years, the majority of our workforce will be eligible for retirement. These employees will take with them vast knowledge about SaskPower and our systems. Our human resources strategies must ensure that this knowledge is passed on and we attract new employees with the necessary competencies and skills to help our organization move forward into the future.

Financial challenges will also continue to be part of our reality for the foreseeable future. The favourable hydro conditions we experienced in 2005 allowed us to meet our financial targets for the year, but those conditions cannot be counted on in 2006. Therefore we will continue to face cost pressures due to increasing fuel and purchased power costs and the need to replace aging infrastructure.

Our 2006 Strategic and Business Plan addresses how we will meet these challenges and continue the transformation of SaskPower. It is a transformation that will touch each area of the corporation. Our infrastructure. Our generation supply. Our customers. Our employees.

Many of these changes are already underway. But as you'll read on the following pages, many more are planned. While change brings with it uncertainty, innovation has been a hallmark of SaskPower throughout our 77-year history. From bringing electricity to rural Saskatchewan to remotely controlling generation facilities through satellite technology, our employees have used their talents and ingenuity to ensure our success.

Our corporate vision will also undergo its own transformation. A new vision will be rolled out to employees later in the year, to be incorporated into our strategic planning process for 2007 and beyond.

In 2006, we will again be relying upon the strength of our employees to guide us through this transformation and build a powerful future for our corporation. I am confident we will continue to succeed as we move forward together.

Pat Youzwa
President and Chief Executive Officer

BUILDING ON SUCCESS

SaskPower's 2006 Strategic Plan outlines four priorities that focus our efforts and drive our success. The business units and corporate groups have identified activities that are consistent with these priorities and will help achieve our long-term goals.

SaskPower enters 2006 with one of the strongest balance sheets among public utilities in Canada – the result of careful planning and prudent financial management over many years. However, in the very near future we will face significant challenges that will impact our operating environment and financial performance. The 2006 Business Plan outlines the measures we will take in 2006 and beyond to meet these challenges and satisfy the current electrical needs of our customers, including:

- The refurbishment and upgrade at Poplar River Power Station;
- The replacement of our FleetNet radio system with new and better technology; and
- Continuing to connect new services and completing upgrades for our customers.

We look to the future and forecast the energy requirements we anticipate our customers will have in the current fiscal year and beyond. We also analyze the business environment in which we operate, developing actions to address a changing workforce and customer base, as well as such external factors as rising fuel costs and higher interest rates.

CAPITALIZING ON OUR OPPORTUNITIES

With close to 80 years as a proven supplier of electricity to a diverse and widely dispersed customer base, SaskPower has many strengths upon which to build.

Employees: We have a highly skilled and competent workforce located throughout the province. We are able to respond to local emergencies quickly and maintain a high level of customer service.

Finances: We have a strong balance sheet. We continue to provide a return to the people of Saskatchewan while investing in system renewal and our people. Our governance model and accounting procedures help us to manage risk.

Assets: We have a reliable and well-built transmission system. Our generating fleet utilizes a wide range of fuel sources in order to provide flexibility and mitigate risk.

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Marketplace: We are located between two significant markets – Alberta and the U.S. Mid-Continent Area Power Pool. This provides opportunities to export surplus power and import cost-effective power sources when necessary.

Energy Pricing: We have strong marketing and risk management skills, which are crucial in managing our purchased power costs and identifying import and export opportunities to provide the greatest benefit to SaskPower.

Independent Power Producers (IPP) Partnerships: Successful IPP partnerships with Meridian, Cory and SunBridge have positioned SaskPower to take advantage of future opportunities.

Regional Transmission Organizations (RTOs): We are able to influence standards and market structures through participation in RTOs such as the Midwest Independent Transmission System Operator (MISO).

FACING CHALLENGES HEAD-ON

Over the past number of years, SaskPower has been active in identifying risks and developing appropriate plans to mitigate or avoid those risks. We have updated our corporate governance manual to clarify roles and responsibilities. Our capital approval processes and internal control processes have been reviewed, and we have established natural gas and foreign exchange management plans.

The same issues that affect our entire industry are also challenges facing SaskPower.

Human Resources: We will experience significant recruitment and training challenges within the next 10 to 15 years, when the majority of our workforce is eligible for retirement. Succession planning, knowledge transfer and workforce diversity remain priorities.

Financial Management: Our earnings remain under increasing pressure due to higher fuel costs, declining revenue growth and increased capital spending. Ongoing capital expenditures are required to maintain the system at current levels of reliability, comply with necessary regulations and legislation and replace aging infrastructure.

Fuel sources: We rely upon lignite coal as our main source of fuel due to its availability, low cost and stable price. However, the low quality of the coal increases wear on our equipment and also creates environmental challenges. We are increasingly dependent on natural-gas fired generation, which is costly to operate. Alternative supply options continue to be evaluated.

Environment: We must adapt to changing environmental regulations and rigorous standards, including New Source Emission Guidelines for Thermal Electricity Generation and Mercury Emission Guidelines.

Technology: We are faced with the difficult task of securing cost-effective technological solutions to environmental and supply challenges in a world with regulatory uncertainty.

Regulation: We have to continue responding to new rules regarding interconnection, reliability standards and transmission services. Our membership with the Midwest Reliability Organization is one way that we will keep abreast of and influence industry changes and trends. While compliance is an appropriate course of action for the corporation, it is a costly process.

Rate changes: The rate change process in Saskatchewan is complex and lengthy. Applications for rate changes must go through the Saskatchewan Rate Review Panel and can take several months until a recommendation is issued, which must then be submitted to the provincial government for approval.

Competition: At present, the reseller customer class has the option to purchase their electrical supply from competitors to SaskPower, but the scope could widen to large-scale key account customers who are very important to SaskPower's business. Account Managers have prepared for this possibility by establishing strong relationships with key customers so that we are better able to meet their needs.

Changing demographics: Saskatchewan's demographics and customer needs are changing. Creating meaningful partnerships, particularly with First Nations communities and organizations, will provide a variety of benefits for future development, investments and workforce recruitment.

ACHIEVING SUCCESS

Whether we're replacing wooden power poles or helping to explain our billing process to a new customer, each one of us, every day, is supporting four strategic priorities that will lead to continued long-term success for SaskPower:

- Building Excellence in Customer Service Delivery
- Developing SaskPower's People
- Promoting Environmental Stewardship
- Ensuring Sound Financial Management

Each year, we keep track of how well we've met our corporate priorities. At SaskPower, we use a performance management tool known as the corporate balanced scorecard. In addition to measuring our financial results, the balanced scorecard provides opportunity to measure other important factors that contribute to our overall success, including customer satisfaction, employee development and the progress we've made under our Green Power Portfolio.

Our balanced scorecard objectives and measures are available online at saskpower.com and on the EIN. They are also included in our annual report.

Strategic Priority 1

Building Excellence in Customer Service Delivery

SaskPower is in business to meet the needs of more than 440,000 customers – the homeowners, farmers, businesses and manufacturers who depend upon us daily to keep their lights on, to ensure their offices are warm in the winter and cool in the summer, or to power their operations.

The way we provide customer service is continuously changing because the needs of our customers continuously change. But one thing remains constant at SaskPower – our commitment to provide safe, reliable and affordable electricity.

Whether we're dealing with an inquiry at a customer service centre or ensuring our generation fleet is running efficiently to provide a reliable, affordable and safe power supply, each of us has a role to play in delivering service excellence.

Measuring our success

Our customers are key to determining whether we have achieved our goal of delivering excellent service. We survey our customers annually to determine their level of satisfaction. We also measure how frequently our customers experience a service interruption and our performance in responding to outages.

SaskPower has a responsibility to provide affordable power to our customers and a return on investment to our shareholders. We establish rates so that customers in all classes pay for the cost to provide services, including a fair and reasonable return to our shareholder.

SaskPower customers have asked how they can reduce their power bills and help to protect the environment, and we're providing them with answers. Low-cost or no-cost tools and tips are posted on saskpower.com and have been featured in advertising campaigns, showing customers how small changes can add up to big savings. It's one way that SaskPower is meeting customers' needs.

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Strategic Priority 2

Developing SaskPower's People

Everything SaskPower does is achieved through our people, including our future success. Great people work on the SaskPower team – more than 2,300 employees located throughout Saskatchewan, each committed to getting the job done. Our long-term goal is to be recognized as an employer of choice in Saskatchewan and Canada. In 2006, we will continue to develop a comprehensive human resources strategy that will help us achieve that goal.

Workplace safety remains a priority this year. In addition to providing our employees with the tools and equipment they require to do their job safely, we will continue to educate employees about the steps each one of us can take to avoid workplace injuries and accidents. Last year, SaskPower created the Corporate Safety Department and began making improvements to its Safety Management System. In 2006, we will continue to implement measures to improve our safety performance and make safety part of everything we do.

It is critical that our employees acquire, enhance and routinely update their skills to ensure that we provide a high quality of service, and to also ensure that SaskPower attracts, engages and retains the best and the brightest. Ultimately, we want to provide our employees with a satisfying career and opportunity for growth. Continuous learning remains a priority in 2006, as does succession planning. Over the next 15 years, the majority of our workforce will be eligible for retirement. Planning for that change today, and implementing steps to allow for a transfer of knowledge, will ensure we have highly qualified people in all positions into the future.

Equally important to SaskPower's ongoing success is the ability to attract employees who are representative of the customers we serve. SaskPower looks forward to greater participation in our workforce by under-represented groups in our society. We are committed to improving our workforce profile by 60 diversity candidates annually over the next five years, including Aboriginal people, visible minorities, people with disabilities and women in under-represented occupations.

Measuring our success

When it comes to our safety performance, our long-term target is to be one of the top utilities in Canada. SaskPower tracks the number of days lost as a result of serious accidents and the number of injuries or illnesses that result in lost work time during the year. Training and education will be used to help improve SaskPower's safety performance.

SaskPower's Safety Management System was registered to the Occupational Health and Safety Assessment Series (OHSAS) 18001 standard in 2005. This international health and safety management specification is intended to help organizations control occupational health and safety risks. It consists of five phases – policy, planning, implementation of plans, monitoring and review. Achieving the registration is an important step as we work towards developing one of the top safety programs in the country.

In addition to tracking the number of new hires from the designated diversity target groups, SaskPower will continue to measure the number of people who participate in training programs that support key initiatives; for example, the number of management and in-scope supervisory staff who complete the Leadership Development Program.

Strategic Priority 3

Promoting Environmental Stewardship

SaskPower provides electrical service that is essential to our daily lives, yet its production must be carefully managed to ensure it doesn't harm us. Our Green Power Portfolio is the cornerstone of our approach to protect the environment. It commits SaskPower to meet Saskatchewan's new electricity needs until 2010 through the use of environmentally friendly sources.

It's what customers want from SaskPower – and what the industry demands, as new standards and regulations are put into place to meet requirements under increasingly stringent federal environmental regulations.

Our Environmentally Preferred Power (EPP) Program, energy conservation measures, distributed generation projects, small-scale hydro and wind all figure into our plans to develop an environmentally sustainable future supply of electricity.

Measuring our success

There are two key measures that demonstrate our commitment to the environment. The first focuses on tracking measures related to the achievement of the Green Power Portfolio. We also measure the number of audits each year, as required through our Environmental Management System, which is registered under the demanding ISO 14001 standard.

The Centennial Wind Power Facility, located 25 kilometres southeast of Swift Current, will provide an additional 150 megawatts (MW) of wind power to Saskatchewan – that's enough to power 64,000 homes. With the completion of the project, Saskatchewan's wind power generation capacity has increased from 22 MW to 172 MW. The Centennial Wind Power Facility will help fulfill SaskPower's mandate to meet customer needs in an environmentally responsible manner.

Strategic Priority 4

Ensuring Sound Financial Management

As a Crown corporation, SaskPower has a responsibility to provide safe, reliable and affordable electricity to our customers, and to also provide a return on investment to the people of Saskatchewan. There is a fine balance between meeting these needs, which is complicated by the marketplace challenges that face our company now and into the foreseeable future. Some of these challenges are:

- rising fuel and purchased power costs;
- increased costs to comply with environmental regulations;
- higher operating and maintenance costs; and
- investment in new technologies to help meet requirements under increasingly stringent federal environmental regulations.

SaskPower's 2006 Strategic and Business Plan addresses these challenges, while identifying opportunities for the corporation to invest in its future and maintain a strong balance sheet. Cost control and managing interest payments will remain a priority in 2006. We will continue to enhance our performance through improved processes and procedures.

We are also committed to supporting the economic well-being of our province. SaskPower purchases about 80 per cent of its goods and services, excluding fuel and purchased power, from Saskatchewan-based companies and vendors. Our objective is to achieve this target again in the 2006 fiscal year.

Measuring our success

Like most electrical utilities, SaskPower uses a number of key financial indicators to measure its success, including our debt ratio, the return on equity (ROE) and what it costs to cover our interest requirements. Our long-term debt ratio target is 60 per cent and our ROE is 9.5 per cent.

SaskPower customers shared in the benefits from an extraordinary year in 2005. Record rainfalls allowed SaskPower to defer a proposed October rate increase to January 2006. SaskPower is committed to managing its financial performance so that customers will not pay higher rates unless absolutely necessary.

SAFETY - PART OF EVERYTHING WE DO

The new safety department has been operational for about a year and we're well on our way to implementing the steps necessary to achieve our long-term safety goals. SaskPower will seek to operate our business without injury or accidents and be recognized as an industry leader in safety.

While it's up to each of us to make safety part of everything we do – at work and at home – there are ways that SaskPower is helping to create a workforce free from harm and injury. The Corporate Safety Department has developed a new safety plan, complete with health and safety standards, codes, practices and processes. They will be rolled out to employees over the coming months, with the aim to have all of them all integrated into SaskPower's operations by the end of fiscal 2007.

A Safety Council has been established, made up of some of the most senior people in the company, as well as one representative from the CEP and one from the IBEW. The Council sets corporate policy and strategic direction around safety issues, and ensures that corporate initiatives support workplace safety.

A Safety Network has been set up, comprised of six out-of-scope and six-in scope representatives. They will advise on the practicality of health and safety systems, encourage their colleagues to work safely, and act as subject matter experts. From time to time, it may be necessary to create a safety sub-committee to focus on specific projects or operational change. The Safety Network will oversee these sub-committees.

The 64 local Occupational Health Committee co-chairs will also be invited to semi-annual Safety Summits, where professional development around safety and hygiene will occur. The summits will also provide a forum for discussing issues and best practices.

"Injuring people during the course of our business is not acceptable. We strive to be recognized as an industry leader in safety and the benefits are numerous. We need to do this for all SaskPower employees and we need to do this for the corporation. It's just the right thing to do." — Todd Gilchrist, Chief Safety Officer

ACCOMPLISHING OUR GOALS

SaskPower is not only transforming our infrastructure, we're transforming the way we do business. Each of our business units, corporate groups and subsidiaries have identified initiatives they will undertake in 2006 to contribute to our long-term corporate success. These initiatives will also provide employees with rewarding opportunities and contribute to career growth.

Power Production

Power Production will supply 16,000 GWh of reliable, cost-competitive electricity in 2006. In addition to supplying daily electrical needs to our customers, Power Production is focused on maintaining operational efficiency at 65 generating units, including nine coal, 26 hydro, six natural gas combined cycle, eight natural gas simple cycle and 16 wind generating units.

Power Production has established operational, environmental and safety targets for 2006 and is also taking steps to prepare SaskPower for the future. Specific initiatives include:

- A major upgrade to Poplar River Power Station Unit #2 to extend the life of the unit as well as increase energy output;
- Developing a quality management and quality control system to address changes to provincial acts and regulations, including *The Boiler and Pressure Vessel Act* and associated regulations; and
- Continue to manage succession planning and knowledge transfer to mitigate the impact of anticipated retirements.

Transmission and Distribution (T&D)

Transmission and Distribution operates and maintains approximately 153,600 line kilometres spread over 652,000 square kilometres. T&D is responsible for the safe and reliable operation of 52 high voltage switching stations and 173 distribution substations.

In 2006, T&D will continue capital projects such as wood pole replacement, apparatus equipment replacement and wood substation rebuilds to maintain system reliability. Other significant initiatives include:

- Implementing industry-developed reliability standards for equipment and infrastructure, and developing a SaskPower Reliability Coordinator from internal resources;
- Develop, implement and communicate business unit performance measures and enhance financial and operational reporting and analysis; and
- Continuing to provide procedure development and training opportunities, including the T&D line-trade apprenticeship program, to ensure field operations are maintained.

Customer Services

Customer Services is focused on providing quality service and support for more than 440,000 customers through customer research, program development and continued improvement of our service delivery methods. To achieve these goals, Customer Services will:

- Establish a Service Operations Review and Redesign Project to ensure efficient and effective delivery of services to customers, and also maximize SaskPower's resources;
- Develop a Demand Side Management (DSM) strategy to offset some load growth and minimize the need for additional generation capacity;
- Develop ongoing strategies to address specific customer markets, including key accounts and the Aboriginal community, and to promote SaskPower services such as energy management and GreenPower; and
- Establish an Internet Services group within Customer Services to meet our customers' growing preference for the provision of service via the Internet.

Corporate Groups

Achieving SaskPower's long-term goals requires support from eight corporate groups, including Corporate and Financial Services (C&FS); Corporate Information and Technology (CI&T); Human Resources (HR); Planning, Environment and Regulatory Affairs (PERA); Corporate Safety Department; the President's Office; Communications and Public Affairs (C&PA); and Legal Services and Land (LS&L).

From ensuring that IT systems are up and running to offering technical and economic analysis and expertise, the corporate groups work in partnership with business units to help SaskPower meet its annual targets and long-term strategic goals. While each of the eight groups has detailed performance plans, key initiatives include:

- Implementing a plan to effectively manage the achievement of a "total safety culture" to position SaskPower as an industry leader in health and safety performance. (Corporate Safety)
- Completing the SAP technical upgrade to ensure a reliable and robust environment. (CI&T)
- Directing SaskPower's financial planning and budgeting activities, maintaining corporate financial records and managing the purchasing and procurement activities of the corporation. (C&FS)
- Undertaking analysis of SaskPower's supply and developing a long-term supply strategy to address expected load growth, unit retirements and improved management of the current generation fleet. (PERA)
- Developing a training and development curriculum for in-scope and out-of-scope managers to assist in ongoing employee development, leadership development and succession planning. (HR)
- Developing research-based, consultative strategic communications programs to support corporate programs and plans. (C&PA)
- Directing Legal and Land Services in support of the clean coal feasibility study, while continuing to provide services to meet the other needs of the Corporation. (LS&L)

SUBSIDIARY CORPORATIONS

SaskPower International

SaskPower International is a vehicle of growth for SaskPower, providing an opportunity to diversify the corporation's energy base and revenue streams while achieving an appropriate return on investment capital.

SaskPower International's Centennial Wind Power Facility – currently the largest wind power facility operating in Canada – started supplying power to the provincial grid in 2005. The 150-MW facility contributes to the overall Green Power Portfolio by producing an electrical supply that does not generate greenhouse gas emissions. In 2006, SaskPower International will ensure reliable and efficient operation of the Centennial Wind Power Facility.

SaskPower International will continue to seek and evaluate opportunities in the power industry, including generation, transmission and distribution developments, and other power related projects and/or acquisitions. In another business line, SaskPower International will complete a testing program of the flyash produced by the Poplar River Power Station to determine whether there is a viable market for this specific by-product. In addition, new market distribution arrangements will continue to be explored. Flyash from the Boundary Dam Power Station is primarily used in the ready-mixed concrete, concrete block, pipe and paving stone industries. The Shand Power Station produces flyash that is primarily used in environmental remediation, oil well cementing, mine backfill and road-base stabilization. SaskPower International will continue to work with Power Production to ensure a reliable and consistent supply of flyash and explore market distribution arrangements.

Shand Greenhouse

For the past 14 years, Shand Greenhouse has acted as an environmental flagship for the corporation and will continue this role in 2006. Education and public awareness remain a key initiative for Shand Greenhouse as it continues its role to encourage environmental sustainability within SaskPower and among the public. Shand Greenhouse expects to produce and distribute 500,000 plants in 2006.

NorthPoint Energy Solutions

NorthPoint Energy Solutions imports and exports electricity on behalf of SaskPower, which helps manage costs and grow revenue. NorthPoint also manages natural gas supplies and provides electricity load and generation management services, such as economic coordination of power purchase agreements.

In 2006 NorthPoint will remain focused on developing and retaining highly skilled employees who understand the market and are capable of taking advantage of opportunities. NorthPoint will continue to further develop policies, processes and systems to better manage risk and address changing market conditions. This includes the addition of enhanced information technology support to NorthPoint.

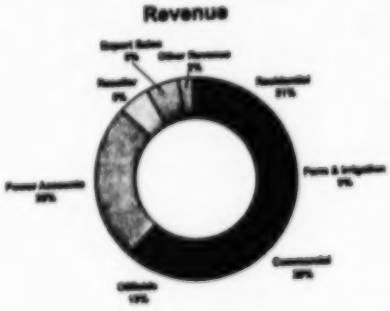
NorthPoint currently participates in markets in Alberta, Ontario and British Columbia, and is a member of the Western Systems Power Pool, Pacific Northwest and Mid-Continental Energy Marketers Association in the United States. NorthPoint will explore opportunities to expand into the Pennsylvania, Maryland and New Jersey marketplaces in 2006.

2006 REVENUE AND EXPENSE

SaskPower considers a number of factors when setting targets for revenue, capital spending and operational expenses for the year. Analyzing past performance and forecasting future demand helps develop the most likely scenarios that SaskPower will face. However, as is the case with all financial plans, variables may arise that have the potential to affect our financial outcome. SaskPower has developed appropriate policies and processes to help us manage these variables, or risks, throughout the fiscal year.

Revenue:

As the graph demonstrates, Power Accounts, commercial operators and residential customers are SaskPower's largest customer groups. Our revenue projections are based upon modest domestic load growth projection and a revised rate schedule that went into effect January 1, 2006. Further rate increases may be required.



Expense:

SaskPower anticipates a 13 per cent increase in total expenses, primarily due to increased cost for fuel and purchased power. Finance charges and depreciation expenses are also increasing by 11 per cent over 2005.

Fuel and Purchased Power Expense:

SaskPower relies upon many fuel sources for its generation supply including hydro, coal, natural gas, co-generation and wind. We also import supply from other electrical utilities. The overall cost of natural gas generation continues to increase due to increased volumes of natural gas being used by SaskPower and in our cogeneration facilities, as well as higher natural gas prices.

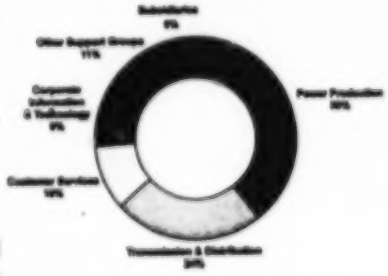
Fuel & Purchased Power Expense

Operating, Maintenance and Administration (OM&A) Expense:

SaskPower's Operating, Maintenance and Administration expenses include labour costs, vehicle expense and corporate overhead. Wages, salaries and benefits account for about 60 per cent of all OM&A expenses.

OM&A expenses will increase in 2006 as the corporation undertakes a mandatory overhaul of generating units at Queen Elizabeth Power Station for the first time, as well as the first full year of operation of the Centennial Wind Power Facility.

OM&A Expense



Other Expenses:

Remaining expenses are related to finance charges, taxes and depreciation. A rise in interest rates is a potential area of risk, especially as SaskPower undertakes capital projects to replace aging infrastructure.

In 2006, SaskPower will replace and refurbish existing infrastructure that is critical to the goal of delivering power in a safe, reliable, cost-effective and environmentally responsible manner. No major capital projects for new facilities are planned, but work will continue on future generation supply options.

OUR RICH PAST BUILDS A BRIGHT FUTURE

SaskPower is the main supplier of electricity in Saskatchewan, a service that we have proudly performed for more than 76 years. Founded as the Saskatchewan Power Commission in 1929, SaskPower became a Crown corporation in 1949 with a mandate to bring electricity to rural Saskatchewan. It was a huge undertaking. Conventional rural electrification techniques of the time were not suitable for delivering power to a widely dispersed customer base in a province well known for weather extremes.

However, through research and innovation, SaskPower was able to deliver on its mandate, developing a single-wire, ground return distribution system to deliver power to farmyards and communities province-wide.

Over the years, our employees have continuously developed and implemented innovative solutions to meet Saskatchewan's ever-changing electrical needs. We were one of the first utilities in Canada to overcome the difficulty of burning lignite coal, which remains a primary source of fuel today. Through hard work and ingenuity, we were able to use radio links to communicate over power lines after everyone else had switched to microwave communications. As a result, we skipped an entire generation of technology and went right to fibre optics, saving a significant amount of money in the process.

We have been a leader in adopting satellite technology to remotely control generation facilities. Our expertise in satellite control enabled us to build one of the thinnest, least redundant transmission grids in North America, while never compromising reliability or safety.

SaskPower is proud to contribute to the social and economic well-being of the communities we serve. We manage $3.8 billion in assets. We also purchase an average of 80 per cent of our goods and services from Saskatchewan suppliers, an amount which equates to approximately $600 million annually.

We offer challenging careers and attractive benefit packages. SaskPower supports the communities where our employees live and work.

We enter 2006 facing new challenges, but each of those challenges provides us with an opportunity to create new and innovative ways to meet our customers' demands. Our past will inspire us to continue to build a bright future for our customers, our employees and our province.

Generation

Hydroelectric

1. Athabasca Hydroelectric System - 23 MW
   - Wellington (5 MW)
   - Waterloo (8 MW)
   - Charlot River (10 MW)
2. Island Falls Hydroelectric Station - 101 MW
4. E. B. Campbell Hydroelectric Station - 288 MW
5. Nipawin Hydroelectric Station - 255 MW
16. Coteau Creek Hydroelectric Station - 186 MW

Natural Gas

3. Meadow Lake Power Station - 44 MW
7. Landis Power Station - 79 MW
8. Queen Elizabeth Power Station - 386 MW
11. Success Power Station - 30 MW

Wind

12. Centennial Wind Power Facility - 150 MW
13. Cypress Wind Power Facility - 11 MW

Coal

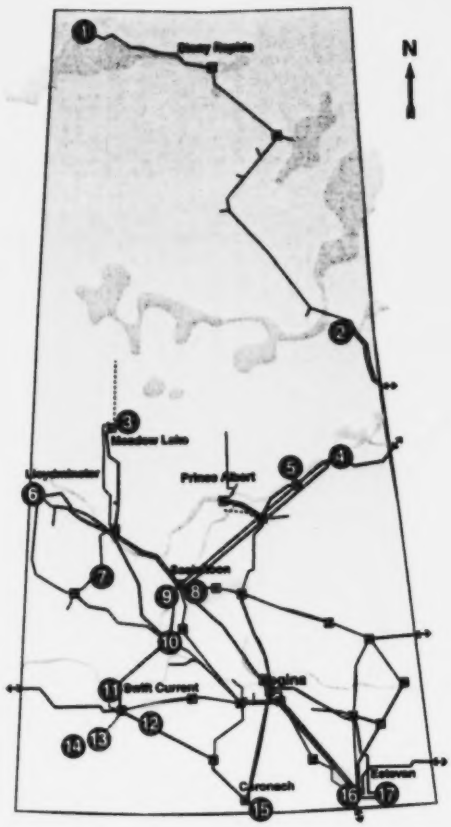
10. Poplar River Power Station - 582 MW
12. Boundary Dam Power Station - 812 MW
17. Shand Power Station - 279 MW

Independent Power Producer

6. Meridian Cogeneration Station - 210 MW
9. Cory Cogeneration Station - 228 MW
15. SunBridge Wind Power Project - 11 MW

Transmission

- 230 kV
- 138 kV
- 138 kV line operating at 72 kV
- Switching Station
- Interconnection



Generation

Hydroelectric

1. **Athabasca Hydroelectric System** - 23 MW
   - Wellington (5 MW)
   - Waterloo (8 MW)
   - Charlot River (10 MW)
2. **Island Falls Hydroelectric Station** - 101 MW
4. **E. B. Campbell Hydroelectric Station** - 288 MW
5. **Nipawin Hydroelectric Station** - 255 MW
10. **Coteau Creek Hydroelectric Station** - 186 MW

Natural Gas

3. **Meadow Lake Power Station** - 44 MW
7. **Landis Power Station** - 79 MW
8. **Queen Elizabeth Power Station** - 386 MW
11. **Success Power Station** - 30 MW

Wind

12. **Centennial Wind Power Facility** - 150 MW
14. **Cypress Wind Power Facility** - 11 MW

Coal

15. **Poplar River Power Station** - 562 MW
16. **Boundary Dam Power Station** - 812 MW
17. **Shand Power Station** - 279 MW

Independent Power Producer

6. **Meridian Cogeneration Station** - 210 MW
9. **Cory Cogeneration Station** - 228 MW
13. **SunBridge Wind Power Project** - 11 MW

Transmission

- 230 kV
- 138 kV
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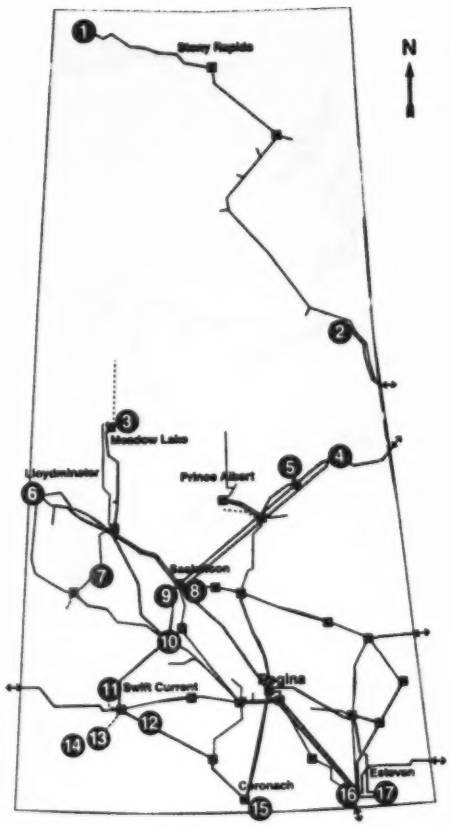

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